

EXHIBIT 14

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D. C.

FORM 10-K

ANNUAL REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the Fiscal Year Ended December 31, 1953

MILWAUKEE GAS LIGHT COMPANY (WISCONSIN)
(Exact name of registrant, as specified in charter, and State of incorporation)

626 East Wisconsin Avenue, Milwaukee 1, Wisconsin
(Address of principal executive office)

INFORMATION REQUIRED IN REPORT

Item 1. Securities Registered on Exchanges.

As to each class of securities of the registrant which is registered on a national securities exchange, furnish the information required by the following table:

Registrant has no securities registered on a national securities exchange.

Item 2. Number of Stockholders.

State, in substantially the tabular form indicated below, the approximate number of holders of record of each class of stock of the registrant.

<u>Title of Class</u>	<u>Number of holders</u>
Common Stock, Par Value \$12 Per Share	2

Item 3. Parents and Subsidiaries of Registrant.

Furnish a list or diagram of all parents and subsidiaries of the registrant and as to each person named indicate the percentage of voting securities owned, or other bases of control, by its immediate parent.

<u>Name of Company</u>	<u>Percentage of voting securities owned by the immediate parent</u>
American Natural Gas Company	
Milwaukee Gas Light Company (registrant)	99.99%
Milwaukee Solvay Coke Company (*)	100.00%

Note (*) Milwaukee Solvay Coke Company is included in the respective consolidated financial statements. Separate financial statements are also filed for this subsidiary.

Item 4. Changes in the Business.

Briefly describe any materially important changes during the fiscal year, not previously reported, in the business of the registrant and its subsidiaries.

None.

Item 5. Principal Holders of Voting Securities.

If any person owns of record, or is known by the registrant to own beneficially, more than 10% of the outstanding voting securities of the registrant, name each such person, state the approximate amount of such securities owned of record but not owned beneficially, the approximate amount owned beneficially and the percentage of outstanding voting securities represented by the amount owned by him in each such manner.

American Natural Gas Company owns of record and beneficially 1,613,216-2/6 shares of Common Stock, or 99.99% of the only class of outstanding voting securities of registrant.

Item 6. Directors of Registrant.

Furnish the following information, in tabular form to the extent practicable, with respect to each director of the registrant:

(a) Name each such director, state the date on which his present term of office will expire (Note 1) and list all other positions and offices with the registrant presently held by him.

(b) State his present principal occupation or employment and give the name and principal business of any corporation or other organization in which such employment is carried on. If not previously reported, furnish similar information as to all of his principal occupations or employments during the last five years.

(c) State, as of the most recent practicable date, the approximate amount of each class of equity securities of the registrant or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned directly or indirectly by him. If he is not the beneficial owner of any such securities, make a statement to that effect (Note 2).

(d) If more than 10% of any class of securities of the registrant or any of its parents or subsidiaries are beneficially owned by him and his associates, state the approximate amount of each class of such securities beneficially owned by such associates, naming each associate whose holdings are substantial (Note 2).

<u>Names and principal occupations or employments, employer and employer's business (Note 3)</u>	<u>Common stock of parent (shares)</u>
E. Gordon Black Vice President and Treasurer of registrant since October 1951, and an officer of regis- trant since October 1950. Prior thereto, an assistant to the controller of Ingersoll- Rand Company, a manufacturer of machinery.	-0-
Dudley B. W. Brown President of registrant since January 1952, and an officer of registrant since June 1949.	665(4)
William C. Buchanan President of Globe Steel Tubes Co., a manufac- turer of seamless steel tubes, during the last five years.	-0-
John Dern Partner in law firm of Sidley, Austin, Burgess & Smith during the last five years, and General Counsel of American Natural Gas Company since May 1, 1952.	110
Henry Fink President of American Louisiana Pipe Line Company, American Natural Gas Service Company and Michigan Wisconsin Pipe Line Company; Chairman of the Board of Michigan Consolidated Gas Company (Note 5).	1,200
Ralph T. McElvenny President of American Natural Gas Company; Executive Vice President of American Natural Gas Service Company; Vice President of American Louisiana Pipe Line Company, Michigan Consolidated Gas Company and Michigan Wisconsin Pipe Line Company (Note 5).	957

<u>Names and principal occupations or employments, employer and employer's business (Note 3)</u>	<u>Common stock of parent (shares)</u>
F. Wayne Sharp Vice President and Treasurer of American Louisiana Pipe Line Company, American Natural Gas Company, American Natural Gas Service Company and Michigan Wisconsin Pipe Line Company (Note 5).	149
Chester O. Wanvig Chairman of the Board of Globe-Union Inc., a manu- facturer of storage batteries, radio parts and roller skates, during the last five years.	-0-
William G. Woolfolk Chairman of American Natural Gas Company, American Louisiana Pipe Line Company, American Natural Gas Service Company and Michigan Wisconsin Pipe Line Company; Chairman of Executive Committee of Michigan Consolidated Gas Company (Note 5).	3,400

- Note 1. The persons named above constituted the entire board of directors of registrant as of December 31, 1953, and the term of office of each expired on February 16, 1954, the date of the Annual Meeting of Stockholders of registrant. At such meeting, however, the persons named were re-elected to severally serve until the next annual meeting of stockholders and until such time as their respective successors are duly elected and qualify.
2. The beneficial ownership of equity securities of American Natural Gas Company as of January 15, 1954, is as reported by the persons named in the table. Such persons did not own beneficially, directly or indirectly, any equity securities of registrant or its subsidiary; nor did such persons and their associates own beneficially more than 10% of any class of securities of the registrant or its subsidiary or its parent.
 3. Of the companies named above, American Natural Gas Company is the parent registered holding company of American Natural Gas Service Company, a subsidiary service company, Michigan Wisconsin Pipe Line Company, a natural gas pipe line company, and Michigan Consolidated Gas Company and registrant, gas utility companies. American Louisiana Pipe Line Company is a newly formed subsidiary of American Natural Gas Company which has pending before the Federal Power Commission an application for authority to construct and operate a natural gas pipe line originating in southern Louisiana to serve Michigan Consolidated Gas Company and Michigan Wisconsin Pipe Line Company.
 4. Mr. Brown also has a beneficial interest in a personal holding corporation which owns 1,220 shares of common stock of American Natural Gas Company
 5. For more than the last five years Messrs. Fink, McElvenny, Sharp and Woolfolk have been actively engaged in the business of American Natural Gas Company or its subsidiaries, and at some time during the last five years, each has been an officer of American Natural.

Item 7. Remuneration of Directors and Officers.

(a) Furnish the following information in substantially the tabular form indicated below as to all direct remuneration paid by the registrant and its subsidiaries during the registrant's last fiscal year to the following persons for services in all capacities:

(1) Each director, and each of the three highest paid officers, of the registrant whose aggregate direct remuneration exceeded \$30,000, naming each such person.

(2) All directors and officers of the registrant as a group, without naming them.

(b) Furnish the following information, in substantially the tabular form indicated below, as to all pension or retirement benefits proposed to be paid under any existing plan in event of retirement at normal retirement date, directly or indirectly, by the registrant or any of its subsidiaries to each director or officer named in answer to paragraph (a)(1) above:

<u>Name of individual or identity of group, and capacities in which remuneration was received</u>	<u>Aggregate remuneration</u>	<u>Estimated annual benefits upon retirement</u>
Dudley B. W. Brown, director and president of registrant and director of its subsidiary	\$ 42,500	\$11,350(1)
All directors and officers of registrant as a group--remuneration received as directors or officers of registrant and as directors of its subsidiary	\$163,688(2)	

Note 1. The amount of \$11,350 set forth above represents the estimated annual benefit proposed to be paid to the officer named above, at age 65, under an employee annuity plan of registrant. Directors, as such, may not participate in employee plans.

2. See answer to Item 7(c), infra.

(c) Describe briefly all remuneration payments (other than direct remuneration for services and pension or retirement benefits) proposed to be made in the future directly or indirectly by the registrant or any of its subsidiaries pursuant to any existing plan or arrangement to (i) each director or officer named in answer to paragraph (a)(1), naming each such person, and (ii) all directors and officers of the registrant as a group, without naming them.

During 1953, certain persons who were officers or directors of registrant and who were also officers or employees of American Natural Gas Service Company performed services for registrant and its subsidiary. The salary of each such person was paid initially by the Service Company and, based on the extent of his service performed for registrant and its subsidiary, a part of his salary was apportioned to and paid by registrant and its subsidiary. The amount of \$163,688 set forth in answer to Item 7(a) does not include the amount of \$1,381 apportioned to and paid by registrant and its subsidiary for the services of such persons. It is expected that this arrangement will continue in future years but the extent of the services requested by registrant and its subsidiary and the resultant amounts of payments in future years cannot be predetermined. The arrangement between registrant and its subsidiary and American Natural Gas Service Company is described in answer to Item 9.

Item 8. Options to Purchase Securities.

Furnish the following information as to all options to purchase securities, from the registrant or any of its subsidiaries, which were granted to or exercised by the following persons since the beginning of the registrant's last fiscal year: (i) each director or officer named in answer to paragraph (a)(1) of Item 7 naming each such person and (ii) all directors and officers of the registrant as a group, without naming them.

(a) As to options granted, state (i) the title and amount of securities called for; (ii) the prices, expiration dates and other material provisions; (iii) the consideration received for the granting thereof; and (iv) the market value of the securities called for on the granting date.

(b) As to options exercised, state (i) the title and amount of securities purchased; (ii) the purchase price; and (iii) the market value of the securities purchased on the date of purchase.

None.

Item 9. Interest of Management and Others in Certain Transactions.

Describe briefly, and where practicable state the approximate amount of, any material interest, direct or indirect, of any of the following persons in any material transactions since the beginning of the registrant's last fiscal year to which the registrant or any of its subsidiaries was a party:

- (a) Any director or officer of the registrant;
- (b) Any security holder named in answer to Item 5; or
- (c) Any associate of any of the foregoing persons.

American Natural Gas Service Company, a wholly-owned subsidiary of American Natural Gas Company, is also an associate of certain directors or officers of registrant who are also officers of the Service Company. Pursuant to contractual arrangement, services are being rendered to registrant and its subsidiary by the Service Company at cost in accordance with the authorization of the Securities and Exchange Commission. For such services during 1953, registrant paid \$37,297 and its subsidiary paid \$13,693 to Service Company, such amounts including the amount of \$1,381 set forth in the answer to Item 7(c).

Item 10. Financial Statements and Exhibits.

List below all financial statements and exhibits filed as a part of the annual report:

(a) Financial statements.

(b) Exhibits.

Financial Statements:

Certificate of Independent Public Accountants

Milwaukee Gas Light Company

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended December 31, 1953

Milwaukee Solvay Coke Company

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended December 31, 1953

Consolidated

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended December 31, 1953

Notes to Financial Statements

Exhibits

Exhibit 15-M-8 Third Revised Sheet No. 16B to Michigan Wisconsin Pipe Line Company's F.P.C. Gas Tariff, Original Volume No. 1, superseding Second Revised Sheet No. 16B of such Gas Tariff filed as Exhibit 15-M-7 (Page 2) of registrant's Form 8-K Current Report for March 1953.

Exhibit 15-E-2 Agreement dated June 26, 1953 between registrant and Local 18, United Gas, Coke and Chemical Workers of America (CIO) amending the Pension Plan Agreement of the registrant with the C.I.O. Union as executed on August 14, 1950. The latter agreement was incorporated in registrant's registration statement (Form S-1, file No. 2-8631) as Exhibit 15E.

Exhibit 15-E-3 Agreement dated September 30, 1953 between registrant and Local Division No. 1 of the United Association of Office, Sales and Technical Employees amending the Pension Plan Agreement of the registrant with this independent union as executed on August 25, 1950. The latter agreement was incorporated in registrant's registration statement (Form S-1, File No. 2-8631) as Exhibit 15-E-1.

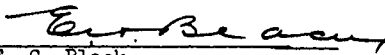
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Milwaukee Gas Light Company
(Registrant)

Date: May 5, 1954

By


E. G. Black

Vice President and Treasurer

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C.

FORM 10-K

For Corporations

DECEMBER 31, 1953
(Date)

MILWAUKEE GAS LIGHT COMPANY

(NAME OF REGISTRANT)

FINANCIAL STATEMENT AND SCHEDULES
AND AUDITORS' CERTIFICATE

MILWAUKEE GAS LIGHT COMPANY AND SUBSIDIARY

FINANCIAL STATEMENTS AND SCHEDULES

(Submitted in Accordance with Instructions in Form 10-K)

(Securities and Exchange Commission, Washington, D.C.)

INDEX TO FINANCIAL STATEMENTS

Certificate of Independent Public Accountants

Milwaukee Gas Light Company

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended
December 31, 1953

Milwaukee Solvay Coke Company

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended
December 31, 1953

Consolidated

Statement of Financial Position--December 31, 1953

Statement of Income--Year Ended December 31, 1953

Statement of Earnings Retained in the Business--Year Ended
December 31, 1953

Notes to Financial Statements

SCHEDULES

The information required to be submitted in Schedules V, VI, VII, IX, XII, XVI and XVII has been included in the statements of financial position and statements of income.

The following schedules are omitted as not applicable or not required under the rules of Regulation S-X:

I, II, III, IV, VIII, X, XI, XIII, XIV and XV

ARTHUR ANDERSEN & Co.
ACCOUNTANTS AND AUDITORS

231 WEST WISCONSIN AVENUE
MILWAUKEE 3

To the Board of Directors,

Milwaukee Gas Light Company:

We have examined the statements of financial position as of December 31, 1953, of MILWAUKEE GAS LIGHT COMPANY (a Wisconsin corporation, hereinafter referred to as the Company), and of the Company's subsidiary, Milwaukee Solvay Coke Company (a Wisconsin corporation), the consolidated statement of financial position of those companies as of the same date, and the related statements of income and earnings retained in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statements of financial position and statements of income and earnings retained in the business were prepared in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, and present fairly the financial positions of the Company and its subsidiary as of December 31, 1953, and the results of their operations for the year then ended.

Arthur Andersen & Co.

Milwaukee, Wisconsin,

February 24, 1954

MILWAUKEE GAS LIGHT COMPANYSTATEMENT OF FINANCIAL POSITION--DECEMBER 31, 1953PROPERTY AND OTHER ASSETS

PROPERTY, PLANT AND EQUIPMENT, at original cost	\$61,989,512
Less- Reserve for depreciation	11,388,815

	\$50,600,697

INVESTMENT in Milwaukee Solvay Coke Company 100% common stock interest, at cost	4,372,472
--	-----------

CURRENT ASSETS:

Cash	\$ 1,795,539	
Accounts receivable, less reserve of \$37,375	2,917,318	
Materials and supplies, at cost (including \$323,500 of fuels and residuals)	1,711,899	
Prepayments	68,289	6,493,045

DEFERRED CHARGES:

Natural gas conversion costs and related expenses, being amortized	\$ 3,174,823	
Debt discount, redemption premium and expense, applicable to refunded issue, being amortized	228,546	
Other	179,112	3,582,481

	\$65,048,695	
	=====	

The notes to the financial statements are an integral
part of this statement.

STOCKHOLDERS' EQUITY AND LIABILITIESSTOCKHOLDERS' EQUITY:

Common stock, par value \$12 per share-- authorized 2,000,000 shares, outstanding 1,613,408 shares	\$19,360,896
Earnings retained in the business (\$1,100,326 restricted by indenture provisions against cash dividends on common stock)	3,355,272

Total stockholders' equity	\$22,716,168
----------------------------	--------------

LONG-TERM DEBT:

First mortgage bonds, 3-1/8% series due 1975	\$26,528,000	
3-3/8% sinking fund debentures due 1970	5,640,000	32,168,000

Total capitalization	\$54,884,168
----------------------	--------------

CURRENT LIABILITIES:

Current maturities of long-term debt	\$ 120,000	
Notes payable to banks, 3-1/4% due August 1, 1954	5,400,000	
Accounts payable	183,936	
Due to affiliated companies	955,003	
Dividends declared	403,352	
Customers' deposits	55,563	
Accrued general taxes	46,408	
Federal and State income taxes	2,104,665	
Accrued interest	213,965	
Accrued payroll	126,611	
Other	224,974	9,834,477

DEFERRED CREDITS

4,567

RESERVE FOR INJURIES AND DAMAGES

67,835

CONTRIBUTIONS IN AID OF CONSTRUCTION

257,648

\$65,048,695
=====

STATEMENT OF INCOME
COMPANY

MILWAUKEE GAS LIGHT COMPANY

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1953

OPERATING REVENUES	\$23,114,691
OPERATING EXPENSES:	
Natural gas purchased	\$ 7,715,935
Operation-	
Distribution	\$1,724,811
Customers' accounting and sales	
promotion	1,737,384
Administrative and general	1,784,351
Other operation expense	<u>989,467</u>
Total operation	6,236,013
Maintenance	1,946,346
Amortization of natural gas conversion	
costs and related expenses	488,431
Depreciation	1,081,128
Taxes-	
State, local and miscellaneous Federal	1,111,434
State income	209,500
Federal income	<u>1,500,000</u>
Total operating expenses	\$20,288,787
Operating income	<u>\$ 2,825,904</u>
OTHER INCOME (net)	115,180
Gross income	<u>\$ 2,941,084</u>
INCOME DEDUCTIONS:	
Interest on long-term debt	\$ 1,036,990
Amortization of debt discount,	
premium and expense	106,410
General interest	82,205
Interest charged to construction--credit*	7,424*
Other	<u>34,972</u>
Total income deductions	\$ 1,253,153
NET INCOME FROM UTILITY OPERATIONS	<u>\$ 1,687,931</u>
DIVIDENDS from Milwaukee Solvay Coke Company,	
less Federal income taxes of \$18,375	231,625
NET INCOME	<u>\$ 1,919,556</u>

The notes to the financial statements are an
integral part of this statement.

MIL-21-10K 53

STATEMENT OF EARNINGS
RETAINED IN THE BUSINESS
COMPANY

MILWAUKEE GAS LIGHT COMPANY

STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

YEAR ENDED DECEMBER 31, 1953

BALANCE--DECEMBER 31, 1952	\$3,049,124
NET INCOME	1,919,556

	\$4,968,680
CASH DIVIDENDS ON COMMON STOCK, \$1.00 per share	1,613,408

BALANCE--DECEMBER 31, 1953 (\$1,100,326 restricted by indenture provisions against cash dividends on common stock)	\$3,355,272
	=====

The notes to the financial statements are
an integral part of this statement.

MILWAUKEE SOLVAY COKE COMPANY

STATEMENT OF FINANCIAL POSITION--DECEMBER 31, 1953

PROPERTY AND OTHER ASSETS

PROPERTY, PLANT AND EQUIPMENT, at cost	\$11,233,396	
Less- Reserve for depreciation	8,143,512	
	<u>-----</u>	
	\$ 3,089,884	

CURRENT ASSETS:

Cash	\$ 655,459	
United States Government securities, at cost	1,196,059	
Accounts receivable, less reserve of \$3,785	537,803	
Due from Milwaukee Gas Light Company	17,549	
Materials and supplies, at cost (including \$2,825,506 of fuels and residuals)	2,996,889	
Prepayments	<u>44,588</u>	5,448,347

\$ 8,538,231
=====

STOCKHOLDERS' EQUITY AND LIABILITIES

STOCKHOLDERS' EQUITY:

Common stock, par value \$100 per share-- authorized and outstanding, 35,000 shares	\$3,500,000
Earnings retained in the business (\$1,171,694 restricted by bank loan agreement against cash dividends on common stock)	2,138,914
	<u>-----</u>
Total stockholders' equity	\$5,638,914

NOTES PAYABLE to banks, 3-1/4%, maturing
serially to 1956

600,000

Total capitalization

\$6,238,914

CURRENT LIABILITIES:

Current maturities of notes payable	\$300,000	
Accounts payable	84,634	
Due to affiliated companies	1,818	
Dividends payable	62,500	
Accrued general taxes	288,143	
Federal and State income taxes	921,212	
Accrued interest	2,375	
Accrued payroll	75,992	
Other	<u>189,732</u>	1,926,406

RESERVES:

Maintenance	\$ 87,304	
Deferred income taxes	228,374	
Injuries and damages	<u>57,233</u>	372,911

\$8,538,231
=====

The notes to the financial statements are an integral
part of this statement.

STATEMENT OF INCOME
SUBSIDIARY

MILWAUKEE SOLVAY COKE COMPANY

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1953

OPERATING REVENUES:	
Coke and coal chemicals	\$12,408,288
Gas	781,540

Total operating revenues	\$13,189,828

OPERATING EXPENSES:	
Operation	\$10,370,644
Maintenance	966,397
Depreciation	129,371
Taxes-	
State, local and miscellaneous Federal	321,337
State income	77,702
Federal income, including excess profits	
tax of \$98,300	660,300
Provision for deferred income taxes	123,623

Total operating expenses	\$12,649,374

Operating income	\$ 540,454
OTHER INCOME (net)	
	44,658

Gross income	\$ 585,112
INTEREST DEDUCTIONS	
	30,000

NET INCOME	\$ 555,112
	=====

The notes to the financial statements are
an integral part of this statement.

MIL-21-10K

STATEMENT OF EARNINGS
RETAINED IN THE BUSINESS
SUBSIDIARY

MILWAUKEE SOLVAY COKE COMPANY

STATEMENT OF EARNINGS RETAINED IN THE BUSINESS

YEAR ENDED DECEMBER 31, 1953

BALANCE--DECEMBER 31, 1952	\$1,833,802
NET INCOME	555,112

	\$2,388,914
CASH DIVIDENDS ON COMMON STOCK, \$7.14 per share	250,000

BALANCE--DECEMBER 31, 1953 (\$1,171,694 restricted by bank loan agreement against cash dividends on common stock)	\$2,138,914
	=====

The notes to the financial statements are
an integral part of this statement.

MILWAUKEE GAS LIGHT COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION--DECEMBER 31, 1953

PROPERTY AND OTHER ASSETS

PROPERTY, PLANT AND EQUIPMENT:

Gas distribution, storage and production facilities, at original cost	\$61,989,512	
Less- Reserve for depreciation	<u>11,388,815</u>	\$50,600,697
Coke and by-products plant and equipment, at cost	\$11,233,396	
Less- Reserve for depreciation	<u>8,143,512</u>	3,089,884
		<u>\$53,690,581</u>

CURRENT ASSETS:

Cash	\$ 2,450,998	
United States Government securities, at cost	1,196,059	
Accounts receivable, less reserve of \$41,160	3,392,621	
Materials and supplies, at cost (including \$3,149,006 of fuels and residuals)	4,708,788	
Prepayments	<u>112,877</u>	11,861,343

DEFERRED CHARGES:

Natural gas conversion costs and related expenses, being amortized	\$ 3,174,823	
Debt discount, redemption premium and expense, applicable to refunded issue, being amortized	228,546	
Other	<u>179,112</u>	3,582,481

\$69,134,405
=====

STOCKHOLDERS' EQUITY AND LIABILITIES

STOCKHOLDERS' EQUITY:

Common stock, par value \$12 per share-- authorized 2,000,000 shares, outstanding 1,613,408 shares	\$19,360,896	
Other paid-in capital	66,127	
Earnings retained in the business (\$1,370,606 restricted by indenture provisions against cash dividends on common stock)	<u>4,555,587</u>	
Total stockholders' equity		\$23,982,610

LONG-TERM DEBT:

First mortgage bonds, 3-1/8% series due 1975	\$26,528,000	
3-3/8% sinking fund debentures due 1970	5,640,000	
Notes payable to banks, 3-1/4%, maturing serially to 1956	<u>600,000</u>	32,768,000
Total capitalization		<u>\$56,750,610</u>

CURRENT LIABILITIES:

Current maturities of long-term debt	\$ 420,000	
Notes payable to banks, 3-1/4% due August 1, 1954	5,400,000	
Accounts payable	268,570	
Due to affiliated companies	939,272	
Dividends declared	403,352	
Customers' deposits	55,563	
Accrued general taxes	334,551	
Federal and State income taxes	3,025,877	
Accrued interest	216,340	
Accrued payroll	202,603	
Other	<u>414,706</u>	11,680,834

DEFERRED CREDITS

4,567

RESERVES:

Maintenance	\$ 87,304	
Deferred income taxes	228,374	
Injuries and damages	<u>125,068</u>	440,746

CONTRIBUTIONS IN AID OF CONSTRUCTION

257,648

\$69,134,405
=====

The notes to the financial statements are an integral part of this statement.

STATEMENT OF INCOME
CONSOLIDATED

MILWAUKEE GAS LIGHT COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 1953

OPERATING REVENUES:		
Gas		\$22,824,384
Coke and coal chemicals		12,408,288
	Total operating revenues	\$35,232,672
OPERATING EXPENSES:		
Natural gas purchased		\$ 7,715,935
Operation-		
Distribution	\$1,724,811	
Customers' accounting and sales promotion	2,079,093	
Administrative and general	2,238,511	
Other operation expense	9,492,395	
	Total operation	15,534,810
Maintenance		2,912,743
Amortization of natural gas conversion costs and related expenses		488,431
Depreciation		1,210,499
Taxes-		
State, local and miscellaneous Federal		1,432,771
State income		287,202
Federal normal and surtax		2,080,375
Federal excess profits tax		98,300
Provision for deferred income taxes		123,623
	Total operating expenses	\$31,884,689
	Operating income	\$ 3,347,983
OTHER INCOME (net)		159,838
	Gross income	\$ 3,507,821
INCOME DEDUCTIONS:		
Interest on long-term debt		\$ 1,066,990
Amortization of debt discount, premium and expense		106,410
General interest		82,205
Interest charged to construction--credit*		7,424*
Other		34,972
	Total income deductions	\$ 1,283,153
NET INCOME		\$ 2,224,668
		=====

The notes to the financial statements are an integral part of this statement.

STATEMENT OF EARNINGS
RETAINED IN THE BUSINESS
CONSOLIDATED

MILWAUKEE GAS LIGHT COMPANY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF EARNINGS

RETAINED IN THE BUSINESS

YEAR ENDED DECEMBER 31, 1953

BALANCE--DECEMBER 31, 1952	\$3,944,327
NET INCOME	2,224,668

	\$6,168,995
CASH DIVIDENDS ON COMMON STOCK, \$1.00 per share	1,613,408

BALANCE--DECEMBER 31, 1953 (\$1,370,606 restricted by indenture provisions against cash dividends on common stock)	\$4,555,587
	=====

The notes to the financial statements are
an integral part of this statement.

MILWAUKEE GAS LIGHT COMPANY AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

PROPERTY, PLANT AND EQUIPMENT

Changes in Property, Plant and Equipment during the year ended December 31, 1953, are set forth as follows:

<u>Major Classification</u>	<u>Balance December 31, 1952</u>	<u>Additions at Cost</u>
Milwaukee Gas Light Company- Gas Utility Plant, at original cost:		
In service-		
Intangible-		
Organization	\$ 29,718	\$ -
Tangible-		
Production	3,780,462	123,521
Storage	2,587,549	337
Distribution	42,790,055	6,092,876
General	6,290,567	283,054
Construction work in progress	1,516,395	874,618
T o t a l	<u>\$56,994,746</u>	<u>\$5,625,170</u>
Milwaukee Solvay Coke Company- Other Plant, at cost:		
In service-		
Intangible	\$ 205	\$ -
Coke and by-products plant and equipment	11,022,193	287,287
Construction work in progress	16,430	11,172
T o t a l	<u>\$11,038,828</u>	<u>\$ 276,115</u>
Consolidated property, plant and equipment	<u>\$68,033,574</u>	<u>\$5,901,285</u>

* Denotes red figure.

NOTE: The Company and its subsidiary represent that they had no unusual additions, abandonments, or retirements, or any other significant and unusual changes in the general character and locations of principal plants or other important units which occurred during the fiscal year.

NOTES TO FINANCIAL
STATEMENTS

Changes
are summarized as

Descrip

Milwaukee Gas Lig
Unclassified
Transportation,
work equipmen

T o t a

Milwaukee Solvay
Unclassified
Transportation
Emergency facil

T o t a

Consolid
for c

NOTE: Re

Changes
rized as follows

Reserves deducted
of financial p
Reserve for
Milwaukee
Milwaukee

Reserves under r
of financial p
Maintenance
Milwaukee
Milwaukee

Injuries and
Milwaukee
Milwaukee

Deferred inc
Milwaukee

Retirements or Sales at Cost	Reclassifications of Prior Years' Additions	Balance December 31, 1953
------------------------------------	---	------------------------------

\$ -	\$ -	\$ 29,718
40,684	10,865*	3,852,434
3,215	-	2,584,671
507,964	1,140*	48,373,827
78,541	12,005	6,507,085
-	-	641,777
-----	-----	-----
\$630,404	\$ -	\$61,989,512
-----	-----	-----

\$ -	\$ 205*	\$ -
81,547	205	11,228,138
-	-	5,258
-----	-----	-----
\$ 81,547	\$ -	\$11,233,396
-----	-----	-----
\$711,951	\$ -	\$73,222,908
=====	=====	=====

Changes in Reserves for Depreciation during the period are summarized as follows:

Description	Balance Dec. 31, 1952	Provision Charged to		Deductions from Reserves		Transfer	Balance Dec. 31, 1953
		Income (See Note)	Clearing and Other Accounts (See Note)	Retirements or Sales at Cost	Removal Cost, Less Salvage		
Milwaukee Gas Light Company- Unclassified	\$10,115,457	\$1,081,128	\$ -	\$588,438	\$130,172	\$ -	\$10,477,975
Transportation, tools and work equipment	749,467	-	203,339	41,966	-	-	910,840
T o t a l	\$10,864,924	\$1,081,128	\$203,339	\$630,404	\$130,172	\$ -	\$11,388,815
Milwaukee Solvay Coke Company- Unclassified	\$ 8,037,328	\$ 129,371	\$ -	\$ 74,994	\$ 2,436	\$43,758	\$ 8,133,027
Transportation	13,598	-	2,040	6,553	1,400*	-	10,485
Emergency facilities	43,758	-	-	-	-	43,758*	-
T o t a l	\$ 8,094,684	\$ 129,371	\$ 2,040	\$ 81,547	\$ 1,036	\$ -	\$ 8,143,512
Consolidated reserves for depreciation	\$18,959,608	\$1,210,499	\$205,379	\$711,951	\$131,208	\$ -	\$19,532,327

* Denotes red figure.

NOTE: Reference is made to note under "Maintenance and Depreciation" with respect to basis of provision for depreciation.

MISCELLANEOUS RESERVES

Changes in other reserves during the period are summarized as follows:

Description	Balance Dec. 31, 1952	Additions		Deductions from Reserves for Purposes for Which Reserves Were Provided	Balance Dec. 31, 1953
		Provision Charged to Income	Plant		
Reserves deducted from assets in statements of financial position-					
Reserve for uncollectible accounts-					
Milwaukee Gas Light Company	\$ 41,420	\$ 18,600	\$ -	\$22,645	\$ 37,375
Milwaukee Solvay Coke Company	3,785	-	-	-	3,785
	\$ 45,205	\$ 18,600	\$ -	\$22,645	\$ 41,160
Reserves under reserve caption in statements of financial position-					
Maintenance reserve-					
Milwaukee Gas Light Company	\$ 36,561	\$ -	\$ -	\$36,561	\$ -
Milwaukee Solvay Coke Company	112,540	34,839	-	60,075	87,304
	\$149,101	\$ 34,839	\$ -	\$96,636	\$ 87,304
Injuries and damages reserve-					
Milwaukee Gas Light Company	\$ 35,153	\$ 84,000	\$12,378	\$63,696	\$ 67,835
Milwaukee Solvay Coke Company	30,970	55,725	198	29,660	57,233
	\$ 66,123	\$139,725	\$12,576	\$93,356	\$125,068
Deferred income tax reserve-					
Milwaukee Solvay Coke Company	\$104,751	\$123,623	\$ -	\$ -	\$228,374

RATES

Milwaukee Gas Light Company was authorized by the Public Service Commission of Wisconsin on February 16, 1953, to place in effect interim rates designed to produce additional revenues of approximately \$2,000,000 annually. The revenues collected under the interim rates are subject to such refunds, if any, as may be required upon the final determination of rates by the Commission.

DEFERRED INCOME TAXES

Milwaukee Solvay Coke Company has a Certificate of Necessity covering the construction of 20 new coke ovens and related production facilities. The subsidiary has charged to income as a provision for deferred income taxes, and credited to a reserve, an amount equal to the reduction in income taxes due to the accelerated amortization of these facilities over a five-year period as permitted for tax purposes.

CURRENT MATURITIES AND SINKING FUND REQUIREMENTS

The current maturities and sinking fund requirements of long-term debt for each year in the five-year period ending December 31, 1958, are as follows:

	<u>Company</u>	<u>Subsidiary</u>
1954	\$592,000	\$300,000
1955	592,000	300,000
1956	592,000	300,000
1957	592,000	-
1958	592,000	
	=====	=====

The Company satisfied \$472,000 of its 1954 requirement prior to December 31, 1953.

MAINTENANCE AND DEPRECIATION

It is the practice of the Company and its subsidiary to charge to maintenance the cost of repairs of property and replacements and renewals of items determined to be less than units of property, except for maintenance costs of transportation, tools and other work equipment which are charged principally to clearing accounts and redistributed to various operating, construction and other accounts. Replacements and renewals of items considered to be units of property are charged to property accounts and units retired from the property accounts are charged to depreciation reserves. Dismantling or other costs and salvage applicable to units of property retired are charged or credited to such depreciation reserves.

NOTES TO FINANCIAL
STATEMENTS
(Continued)

It is impracticable to indicate the specific rates of depreciation applied by the Company to classified property accounts in computing the annual provisions for depreciation. The rates of depreciation used by the Company have been approved by the Public Service Commission of Wisconsin and are estimated to be substantially equivalent to straight-line depreciation. The provision for depreciation (exclusive of transportation, tools and work equipment) for the year 1953, based on the above rates, was equivalent to a composite annual rate of approximately 1.96%.

The Company's subsidiary has a 100% reserve for depreciation applicable to a substantial portion of its facilities. Depreciation is provided currently at the rate of approximately 3% per annum on the balance of the property.

ANNUITY PENSION PLANS

Effective as of January 1, 1950, the Company and its subsidiary adopted plans to provide for retirement annuities for their employees at age 65.

Pension costs under the plans charged to operating expense in 1953 were approximately \$572,000 (\$288,000 for the Company and \$284,000 for its subsidiary) of which approximately \$181,000 was attributable to past service costs. The estimated additional amount necessary to fund or otherwise provide for the past service costs was \$2,507,000 at December 31, 1953 (\$1,844,000 for the Company and \$663,000 for its subsidiary).

SUPPLEMENTARY INFORMATION

The amounts of maintenance and depreciation which are charged to expenses other than those shown in the statements of income are not significant. The aggregate rental expense is not significant.

Provisions for State, local and miscellaneous Federal taxes charged to expense and other income are summarized below; such taxes charged to other accounts are not significant.

	Milwaukee Gas Light Company	Milwaukee Solvay Coke Company
Real estate and personal property	\$ 995,694	\$282,194
Social security	95,844	39,143
Other	24,895	-
	-----	-----
	\$1,116,433	\$321,337
	=====	=====

NOTES TO FINANCIAL
STATEMENTS
(Continued)

Management and service contract fees paid to American Natural Gas Service Company, which furnishes service at cost pursuant to authorization of the Securities and Exchange Commission, amounted to \$50,990 in 1953.

GENERAL

The equity of the Company in the net assets of its subsidiary at date of acquisition was \$66,127 greater than the carrying value of the investment in such subsidiary. In consolidation such difference was credited to other paid-in capital. The undistributed earnings of the Company's subsidiary, since date of acquisition, aggregated \$1,200,315. Intercompany accounts have been eliminated in consolidation.

MICHIGAN-WISCONSIN PIPE LINE COMPANY
 F.P.C. Gas Tariff
 Original Volume No. 1

Third Revised Sheet No. 16B
 Superseding Second Revised Sheet No. 16B

GENERAL TERMS AND CONDITIONS
 (Continued)

	<u>Total Space Heating Consumers</u>
<u>MICHIGAN</u>	
Michigan Consolidated Gas Company	304,060
Michigan Gas and Electric Company	6,882
Michigan Gas Utilities Company	3,794
<u>WISCONSIN</u>	
Milwaukee Gas Light Company	60,490
Wisconsin Natural Gas Company	14,973
Madison Gas and Electric Company	5,710
Wisconsin Power and Light Company	6,692
Wisconsin Public Service Corporation	11,803
Wisconsin Michigan Power Company	2,050
Wisconsin Fuel and Light Company	1,157
Stoughton Light & Fuel Company	192
<u>IOWA AND MISSOURI</u>	
Iowa Southern Utilities Company	3,775
Keokuk Gas Service Company	1,155
Fort Madison Gas Company	925
Iowa Electric Light and Power Company	905
St. Joseph Light & Power Company	809

Issued by: Wilber H. Mack, Secretary
 Issued on: October 29, 1953.

Effective: December 1, 1953.

c
o
p
y

THIS AGREEMENT, entered into between the Milwaukee Gas Light Company (hereinafter called the "Company") and Local 18, United Gas, Coke and Chemical Workers of America (CIO), (hereinafter called the "Union").

WHEREIN IT IS MUTUALLY AGREED, AS FOLLOWS:

1. That the Company will furnish to the members of the pension plan after January of each year, a statement showing said members own contributions, plus accrued interest as of the end of the preceding year.
2. All members of the Negotiating and Grievance Committee of the Union shall receive full credit for pension purposes for all time spent while engaged in official union business with the Company. The pension contributions of the Negotiating and Grievance Committee members shall be made in the same amounts as though such members were actually working at their assigned jobs. This provision to be retroactive to January 1950 and it shall be in the discretion of the committee members whether they wish to come under the provision.
3. The provision in the pension plan pertaining to a joint committee on pensions, consisting of six members, one-half designated by the Company and one-half by the Union, shall be changed as follows: The Union representation on the joint committee shall be the Negotiating Committee; the Company to designate its members on the joint committee. It shall be the duty of this pension committee, among other things, to pass on retirements of members whose retirement would create a hardship by reason of financial obligations incurred because of illness to the member, wife or dependents.
4. Employees who reach age 65 and continue to work after such age shall receive their regular rate of pay for the period of time they work after age 65. No further contributions by the employee or the Company shall be made after the employee reaches age 65.

The pension will be purchased when the employee retires. The pension will be increased by an amount which accrued interest will purchase from age 65 to the date of retirement.

5. All other terms and conditions of the present pension plan, except as modified herein, shall remain in force and effect for the period ending December 31, 1954.

DATED THIS 26th day of JUNE, 1953

MILWAUKEE GAS LIGHT COMPANY

/s/ John J. Dolan
John J. Dolan, Vice President

LOCAL DIVISION NO. 18, UNITED GAS, COKE AND CHEMICAL
WORKERS OF AMERICA (CIO)

/s/ Arthur St. John
President, Arthur St. John

/s/ Emil Heimsch
Vice President, Emil Heimsch

/s/ William A. Thompson
Recording Secretary, William Thompson

/s/ Edward P. Regan

/s/ Norbert Banaszynski

/s/ John J. Koch

/s/ Chester Markert

/s/ Fred C. Stockfisch

c
o
p
y

AGREEMENT entered into between the Milwaukee Gas Light Company (hereinafter called the "Company") and LOCAL DIVISION NO. 1 of the UNITED ASSOCIATION OF OFFICE, SALES AND TECHNICAL EMPLOYEES, (hereinafter called the "Union").

WHEREAS, on the 25th day of August 1950 the parties hereto entered into an agreement establishing a pension plan; and,

WHEREAS, Renegotiation of the above mentioned pension plan in accordance with Section 14 (a) thereof has now been completed.

NOW, THEREFORE, it is mutually agreed by and between the parties that the pension agreement of August 25, 1950 is amended as follows:

1. That hereafter employees who reach age 65 and continue to work after such age, as provided in Section 3 (a) of the above mentioned pension agreement, shall receive their regular rate of pay for the period of time they work after age 65. No further contributions by the employee or the company shall be made after the employee reaches age 65. That the pension will be purchased when the employee retires. The pension to be increased by an amount which accrued interest will purchase from age 65 to the date of retirement.
2. That all members of the plan shall be retired at age 67, as set forth in Section 3 (a) of the above mentioned pension agreement, unless such retirement creates a hardship by reason of financial obligations incurred because of illness to the member, wife or dependents, and, in such cases, such member will be permitted to continue employment for a period or periods of time beyond age 67 provided it has been determined by the company that the employee is in financial straits, and is capable of efficiently performing his duties.
3. The company will furnish to all members of the pension plan annually, a statement showing said members' own contributions, plus credited interest as of the end of the preceding year.
4. That Section 14 of the pension agreement of August 25, 1950 shall be amended to read as follows:

TERM OF AGREEMENT

(a) This agreement shall become effective as of January 1, 1953, and shall remain in effect until midnight December 31, 1955. Either party may request renegotiation of the provisions of said Plan on or after December 31, 1955, upon giving sixty (60) days prior written notice to the other party.

(b) During the period of three (3) years from January 1, 1953, neither the Company nor the Union shall demand any change, modification or amendment in this pension agreement, nor shall either party be required to bargain with respect to pensions in any form whatsoever; nor shall a change, modification or amendment to this agreement be an objective of or be stated as reason for any strike or lock-out or other exercises of economic force or threat thereof by the Union or the Company; nor will the Union sanction or condone any strike or other exercise of economic force or threat thereof for the purpose of securing any change, modification or amendment in this pension agreement.

(c) In the event of discontinuance of the Plan at any time, no portion of the contributions theretofore made by the Company to the Plan will be returned to the Company but will vest for the exclusive benefit of participating employees under the Plan.

5. All of the terms, provisions and conditions of the pension agreement of August 25, 1950 except as modified herein, shall remain in force and effect for the period ending midnight December 31, 1955.

DATED THIS 30th DAY OF SEPTEMBER, 1953.

LOCAL DIVISION NO. 1,
UNITED ASSOCIATION OF OFFICE,
SALES AND TECHNICAL EMPLOYEES

MILWAUKEE GAS LIGHT COMPANY

/s/ E. G. Black

/s/ Harold W. Lohf

/s/ John J. Dolan

/s/ Edward F. Dorsey

/s/ Harvey R. Kurz

/s/ Charles R. Egeland

/s/ Milton E. Block

/s/ Chester L. Otto

/s/ William P. Mueller

/s/ B. M. Feinberg